

Current Transportation Financing

Last Updated Friday, 31 March 2006

Providing transportation facilities and programs requires public funding. Job and population growth increases the demand for travel and will require additional investment to meet travel increases while maintaining the quality of life of the community

How does the city currently finance transportation?

Transportation finance for the city is provided through two sources, the Transportation Fund and the Transportation Excise Tax Fund. Revenue sources for the Transportation Fund include the 0.006 local city sales tax dedicated for transportation purposes, federal funds, Highway Users Tax, County Road and Bridge funds and State Highway Maintenance Funds. The Transportation Development Excise Tax Fund is supported by a transportation related excise tax, levied against new construction for development related infrastructure needs. Of these sources of revenue, the primary contributions are from the city transportation sales tax (59%), federal funds (15%), Highway Users Tax (11%), and Transportation Excise Tax (4%).

While the city has an annual budget for its funding of transportation, city spending on transportation is only a portion of all the spending that occurs to support transportation. The Regional Transit District (RTD) and Colorado Department of Transportation (CDOT) both make significant investments in the regional and local transportation system. As part of understanding the current funding of transportation, all the funding for transportation was collected, including that from RTD and CDOT, and is presented under "summary of total revenues" (see link below). This total revenues and spending on transportation can be compared to the revenue sources and spending by the city of Boulder itself, provided in the "summary of revenues" for Boulder (see link below). As both regional and city funding of transportation are highly dependent on sales tax revenue, the recent declines in local and regional sales tax collection has a significant affect on transportation investment in Boulder.

- Summary of total revenues generated and total expenditures made on transportation services and improvements in Boulder in 2002. (see Revenue-Expenditures)

- More detailed summary of transportation funding sources in Boulder in 2002. (Transportation Finance Matrix (22.39 KB))

How do we currently spend our transportation money?

The majority of our transportation budget is spent on maintenance and operation of our existing transportation system. What little available funds remain are used for capital improvements and investments on the city's multimodal corridors. The investments on multimodal corridors are prioritized for our growing higher density development corridors where the return on these investments can be maximized.

Who can we get to help pay for the transportation improvements we need?

Traditional sources for transportation funding such as the federal and state governments and RTD have their own funding shortfalls. A large part of our transportation needs will require local funding. Currently, about half of all funds used for transportation investment come from sales taxes.

One idea is to create a mixed funding package to provide a more stable source of funding for transportation. The package might include different funding mechanisms such as excise, sales and use, head and utility taxes and fees (see Funding for more detail).

Detailed Inventory of Potential Transportation Funding Sources

As part of policy refinement (phase 2 of the 2003 TMP Update process), a detailed inventory was made of potential transportation funding sources from around the country. This inventory resulted in 71 potential ways to fund transportation. However, many of these are not suitable for use in Boulder, either because they have fatal flaws such as not being allowed in the state of Colorado, or not being able to generate sufficient revenue to be worth the expense. A set of evaluation criteria were developed to identify funding methods with fatal flaws or other concerns, and these criteria were then applied to the potential funding methods to identify those that could be considered further. When all the criteria

are considered, only a few funding methods provide significant amounts of revenue in an acceptable and practical way.

- Possible financial tools to consider augmenting or replacing Boulder's current funding practice
- Screening criteria for selecting financial tools for transportation in Boulder
- Sorted list of potential finance tools for transportation organized into likely, less likely, and unlikely techniques for application in Boulder
- Funding Toolkit: Comprehensive look at potential funding techniques
- Evaluation matrix (50.82 KB) of major considerations relative to potential finance techniques for transportation
- Comprehensive descriptive inventory of transportation financing techniques (211.17 KB)
- How do Boulder's peer cities finance transportation?
- Peer City Review - Research on how Boulder's peer cities fund their transportation systems